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McGUIREWOODS

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October 3, 2001

VIA CAPITAL FILING SPECIALISTS

CC 01-300

Federal Communications Commission  
Common Carrier Bureau  
P.O. Box 358145  
Pittsburgh, PA 15251-5115

Re: Application of VarTec Telecom Holding Company and Teleglobe Holdings (U.S.)  
Corporation for Domestic Section 214 Authorization

Dear Sir or Madam:

Enclosed for filing is the application of VarTec Telecom Holding Company ("VarTec") and Teleglobe Holdings (U.S.) Corporation for transfer of control of the domestic, interstate operations of Excel Communications, Inc. and its wholly-owned subsidiaries, Excel Telecommunications, Inc., eMeritus Communications, Inc. d/b/a/ Dial & Save Corp., and Long Distance Wholesale Club, Inc. from Teleglobe Holdings' ultimate parent, BCE, Inc. to VarTec. This application is being filed in accordance with the procedures described in Public Notice DA 01-1654 (rel. July 20, 2001). In accordance with the Commission's rules, an original and five copies of the application are being filed herewith.

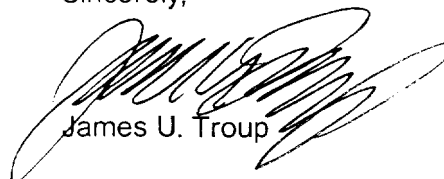
A request for confidential treatment of Exhibit B to the enclosed domestic section 214 application is also being filed contemporaneously herewith. The Stock Purchase Agreement that is included as Exhibit B is submitted in a separate sealed envelope marked "Confidential and Proprietary".

Attached is the statutory processing fee in the form of a check drawn on this law firm's account, payable to the Federal Communications Commission in the amount of \$815.00 and FCC Remittance Form 159.

Acknowledgment and date of receipt of this filing are requested. A duplicate copy of this letter is provided for this purpose.

Should you have any questions concerning this filing, please contact the undersigned.

Sincerely,



James U. Troup

Enclosures

**BEFORE THE  
FEDERAL COMMUNICATIONS COMMISSION  
Washington, DC 20554**

In the Matter of	)	
	)	
Application of VARTEC TELECOM	)	File No.
HOLDING COMPANY and TELEGLOBE	)	
HOLDINGS (U.S.) CORPORATION	)	
for Transfer of Control of	)	
Excel Communications, Inc. and its	)	
wholly-owned subsidiaries,	)	
Excel Telecommunications, Inc.,	)	
Emeritus Communications, Inc. d/b/a	)	
Dial & Save Corp., and Long Distance	)	
Wholesale Club, Inc.	)	

To: The Common Carrier Bureau

**DOMESTIC  
SECTION 214 APPLICATION**

VarTec Telecom Holding Company ("VarTec") and Teleglobe Holdings (U.S.) Corporation ("Teleglobe Holdings") hereby request authority pursuant to Section 214 of the Communications Act of 1934, as amended, 47 U.S.C. § 214, to transfer control of the domestic, interstate operations of Excel Communications, Inc. ("Excel U.S.") and its wholly-owned subsidiaries, Excel Telecommunications, Inc., eMeritus Communications, Inc. d/b/a Dial & Save Corp., and Long Distance Wholesale Club, Inc. from Teleglobe Holdings' ultimate parent, BCE Inc. to VarTec. This application is being filed in accordance with the procedures described in the Public Notice, DA 01-1654 (rel. July 20, 2001)

**Description of the Transaction**

BCE Inc. directly owns 77.02% of Teleglobe Inc. with the other 22.98% percent owned by Bell Canada, which is itself 80% owned by BCE Inc. and 20% owned by SBC

Communications, Inc. Teleglobe Holdings is a wholly owned subsidiary of Teleglobe Inc., whose holdings also include Teleglobe Canada Limited Partnership. Teleglobe Inc. also owns all of the authorized capital stock of Excel Telecommunications (Canada) Inc. ("Excel Canada"). Excel Canada provides interexchange telecommunications services throughout the entire country of Canada.

Teleglobe Holdings owns all of Excel U.S.' authorized capital stock. Excel U.S. through its ownership of intermediary companies controls 100% of the equity of three wholly-owned subsidiaries, which provide domestic, interstate interexchange telecommunications services throughout the U.S. Those Excel subsidiaries are: Excel Telecommunications, Inc., eMeritus Communications, Inc. d/b/a Dial & Save Corp. and Long Distance Wholesale Club, Inc. Consequently, BCE Inc. currently controls Teleglobe Inc. and through Teleglobe Inc. currently controls Excel Canada and Excel U.S. and its three subsidiaries. An organizational chart is attached as Exhibit A.

VarTec, Teleglobe Inc. and Teleglobe Holdings executed a Stock Purchase Agreement dated August 26, 2001, which is attached as Exhibit B and for which VarTec and Teleglobe Holdings request confidential treatment. Pursuant to that agreement, VarTec has agreed to acquire from Teleglobe Holdings all of Excel U.S.' authorized capital stock. VarTec has also agreed to acquire from Teleglobe Inc. all of Excel Canada's authorized capital stock. VarTec is a wholly owned subsidiary of VarTec Telecom, Inc. which provides interexchange telecommunications services in 49 states. After the acquisition of Excel's stock, VarTec will control Excel Canada and Excel U.S. directly, while also indirectly controlling each of Excel U.S.' three wholly-owned subsidiaries.

An international section 214 application has been filed by VarTec and Teleglobe Holdings relating to the same transaction and is currently pending.

By granting this application, the Commission will serve the public interest, convenience and necessity by promoting competition in the domestic, interstate interexchange services market. By combining the financial resources and managerial expertise of VarTec Telecom, Inc., Excel Canada , Excel U.S. and Excel U.S.' subsidiaries, the proposed transfer of control will create a stronger competitor that is better able to serve the public. Competition will benefit U.S. consumers by increasing service options and lowering prices. Thus, the public interest will be served by the grant of Section 214 authority to VarTec and Teleglobe Holdings.

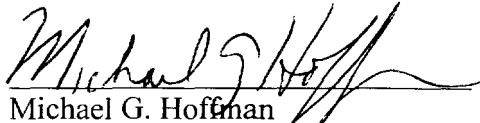
VarTec and Teleglobe Holdings certify that no party to this application has been denied federal benefits pursuant to Section 5301 of the Anti-Drug Abuse Act of 1988.

### **Conclusion**

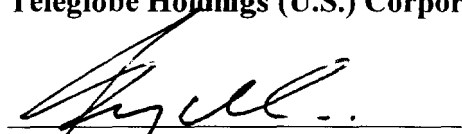
In conclusion, VarTec and Teleglobe Holdings certify that all of the information in this application is accurate and correct. Furthermore, VarTec and Teleglobe Holdings submit that the information provided herein demonstrates that the public interest, convenience and necessity would be served by the grant of Section 214 authority. The combined company will offer a full range of services and will provide increased choice to consumers for competitively priced domestic, interstate interexchange telecommunications services. Therefore, VarTec and Teleglobe Holdings respectfully request that the Commission grant the requested Section 214 authority as described herein.

Respectfully submitted,

**VarTec Telecom Inc., and  
VarTec Telecom Holding Company**

By:   
Michael G. Hoffman  
Chief Legal Officer

**Teleglobe Holdings (U.S.) Corporation**

By:   
Michael T. Boychuk  
President and Treasurer

Date: \_\_\_\_\_, 2001

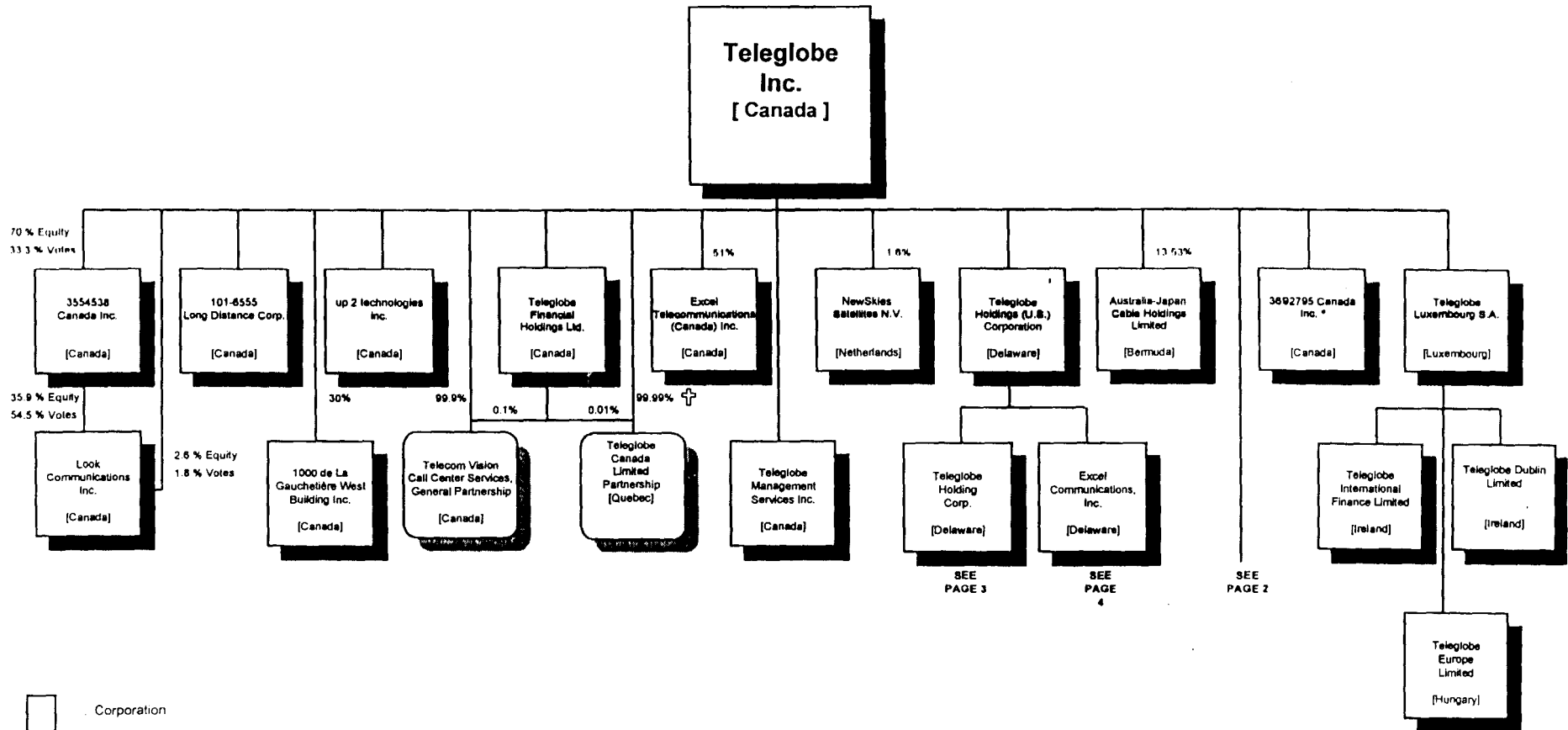
**ORGANIZATIONAL CHART OF**  
**TELEGLOBE INC.**

**Exhibit A**

**CORPORATE STRUCTURE**  
**AS AT JUNE 30, 2001**



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Corporation



Partnership



General Partner

%

All subsidiaries wholly owned, except as indicated

\*

Preferred shares owned by Telelobe Luxembourg S.A.

[ ]

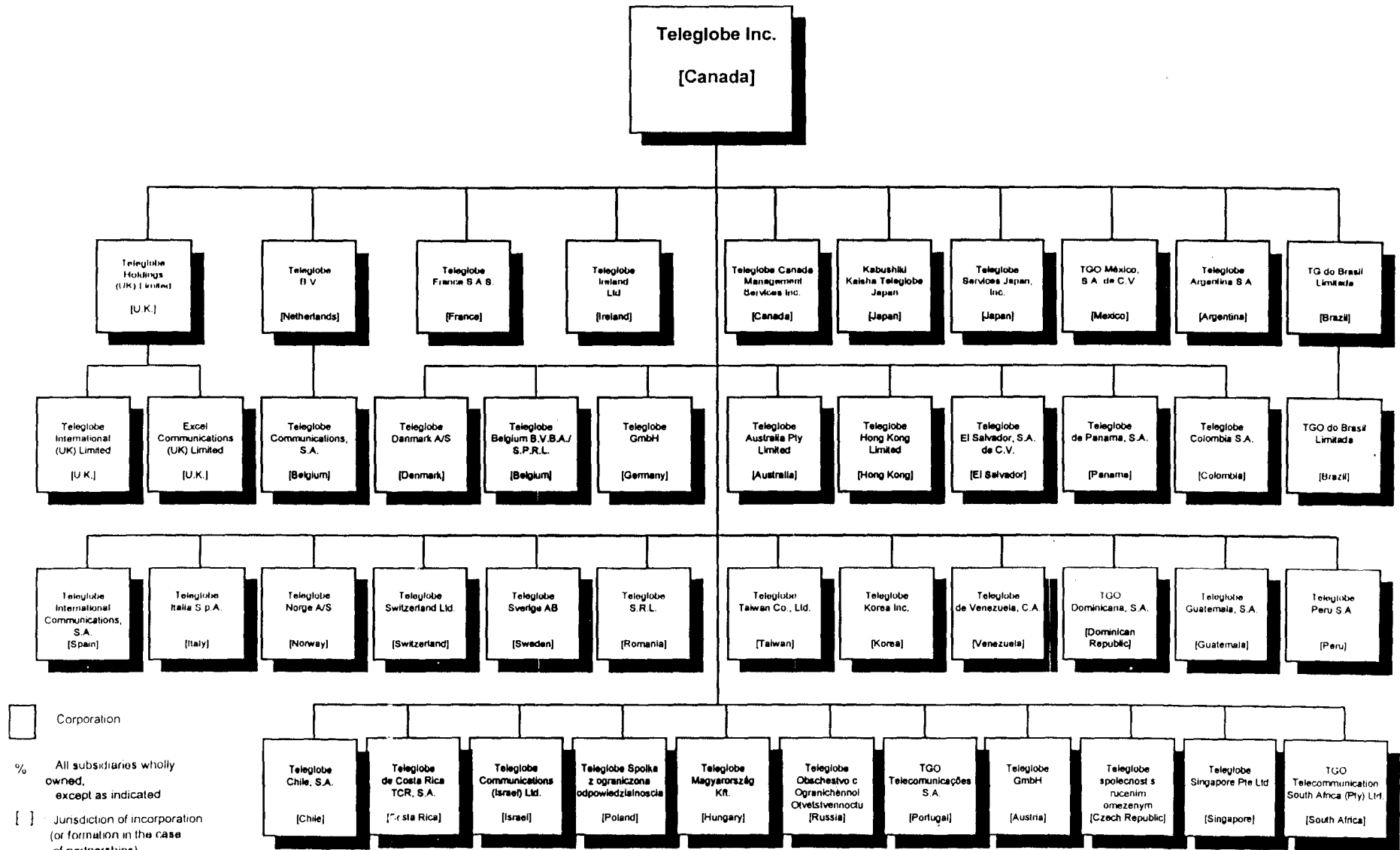
Jurisdiction of incorporation (or formation in the case of partnerships)

# CORPORATE STRUCTURE

AS AT JUNE 30, 2001



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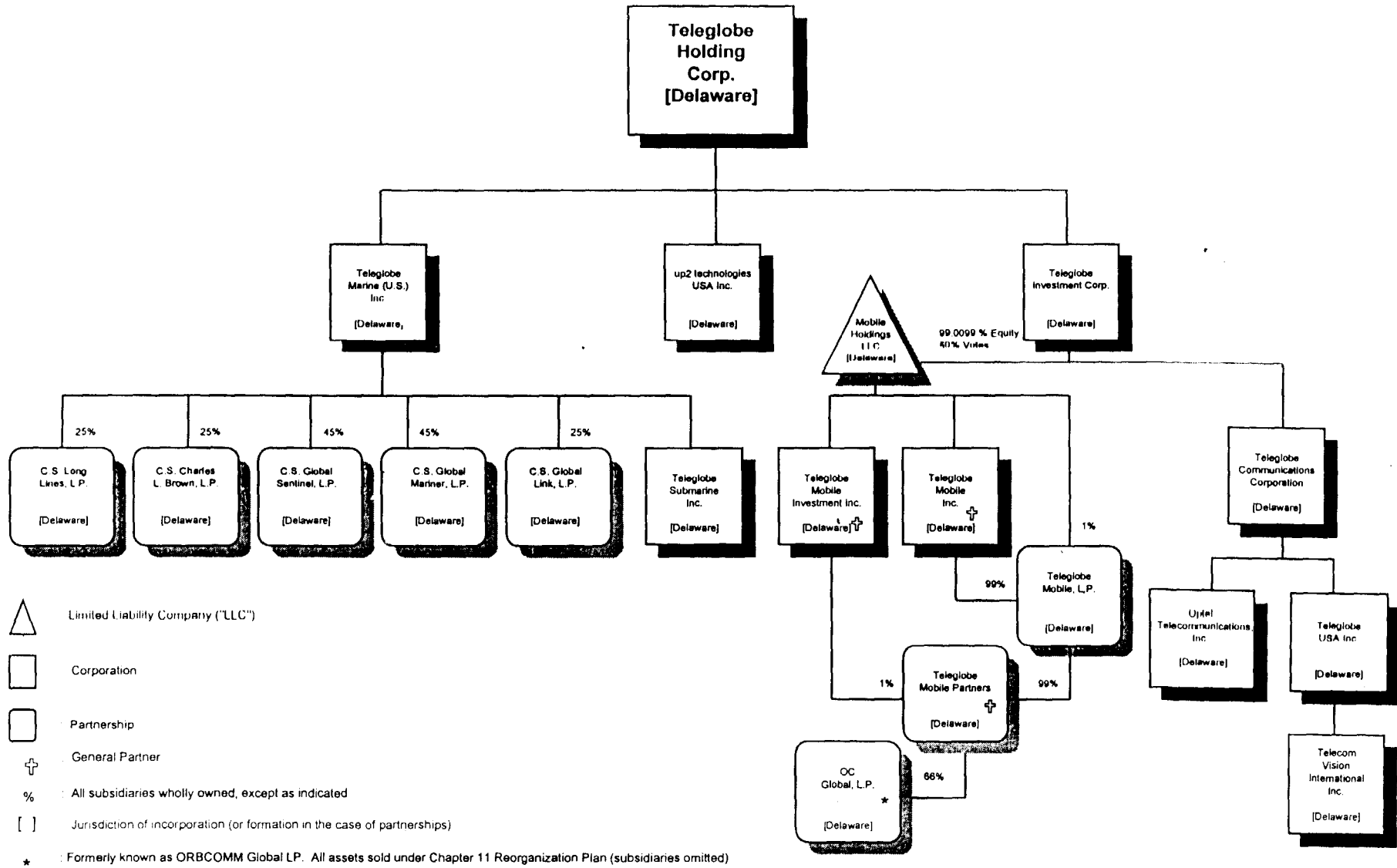




**CORPORATE STRUCTURE  
AS AT JUNE 30, 2001**



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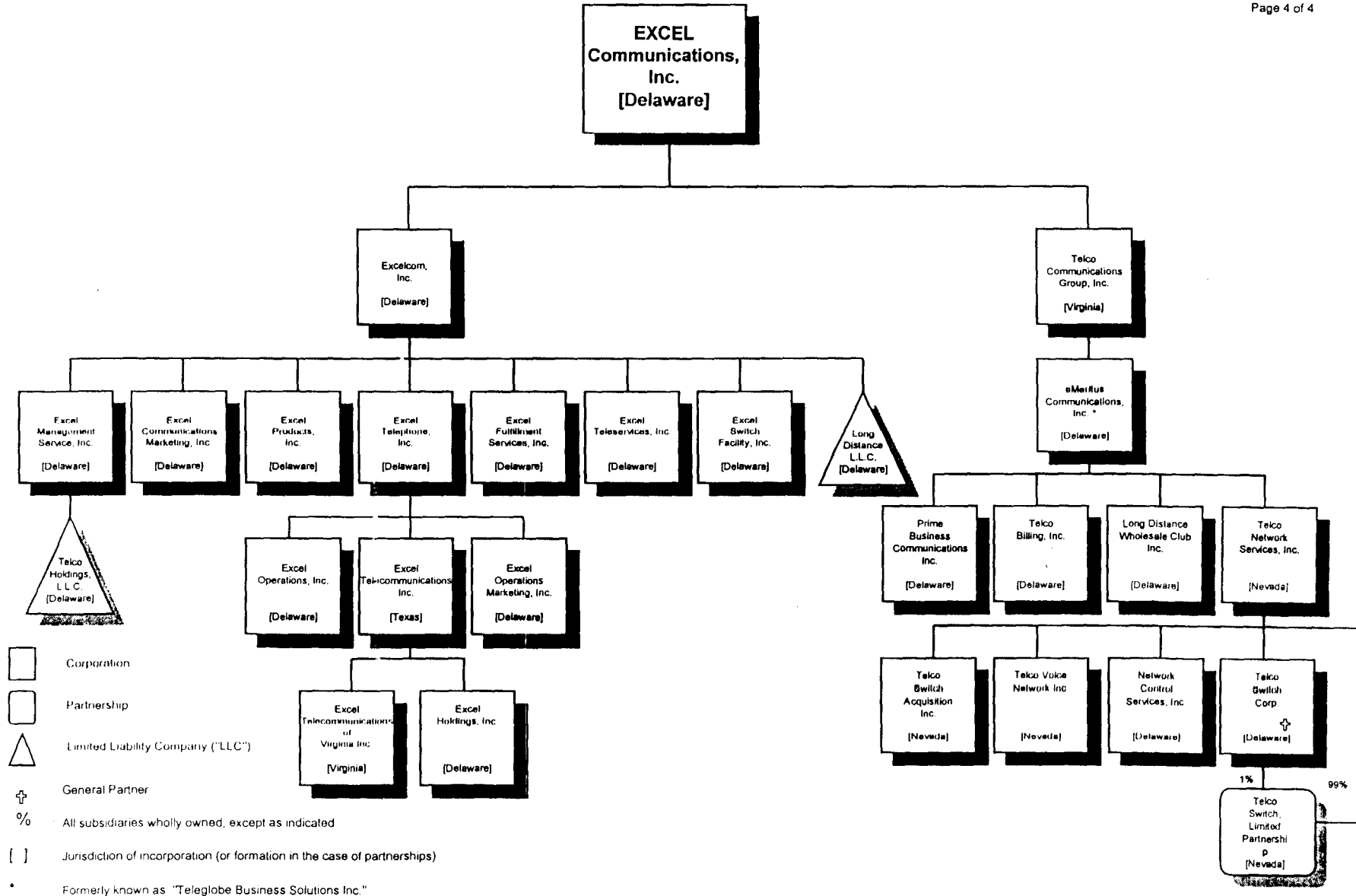
Revised: 2001-05-30

# CORPORATE STRUCTURE

AS AT JUNE 30, 2001



Page 4 of 4



Revised 2001-08-30

**STOCK PURCHASE AGREEMENT**

**Exhibit B**

**Confidential and Proprietary Exhibit**

**Before the  
Federal Communications Commission  
Washington, D.C. 20554**

In the Matter of

Application of VARTEC TELECOM	)
HOLDING COMPANY and TELEGLOBE	)
HOLDINGS (U.S.) CORPORATION	)
for Transfer of Control of	)
Excel Communications, Inc. and its	)
wholly-owned subsidiaries,	)
Excel Telecommunications, Inc.,	)
eMeritus Communications, Inc. d/b/a	)
Dial & Save Corp., and Long Distance	)
Wholesale Club, Inc.	)

**REQUEST FOR CONFIDENTIAL TREATMENT OF  
EXHIBIT B TO THE DOMESTIC SECTION 214 APPLICATION**

As the Stock Purchase Agreement attached as Exhibit B to the above-captioned domestic section 214 application is proprietary and confidential in nature, VarTec Telecom Holding Company ("VarTec") respectfully requests that the Commission treat that information confidentially in accordance with 47 C.F.R. § 0.459. In support of its request for confidentiality, VarTec provides the following information:

1. VarTec seeks confidential treatment of information provided in its domestic section 214 application. Specifically, the information for which VarTec seeks confidential treatment is the Stock Purchase Agreement attached as Exhibit B to its application.
2. The confidential information is provided as part of VarTec's application as required by Section 214 of the Communications Act of 1934, as amended, 47 U.S.C. § 214, and the Commission's Public Notice, DA 01-1654 (rel. July 20, 2001).
3. The confidential information provided is sensitive commercial data.

4. The confidential information concerns services that are subject to competition, namely, long distance telecommunications services. Such services, as rendered by VarTec, are currently undergoing significant degrees of competition through offerings of a wide variety of telecommunications service providers.

5. Disclosure of the confidential information would likely result in substantial competitive harm to VarTec. This information could be utilized by competitors to determine means by which to decrease and/or limit the market share and revenues of VarTec, elements critical to the successful execution of VarTec's business plan. Access to the Stock Purchase Agreement could be used by competitors to adjust their strategies in competing with VarTec.

6. VarTec has maintained the confidential information within its electronic and non-electronic databases, which are subject to the company's premises and computer security measures. VarTec shared this information with the Commission only as part of its domestic section 214 application. Otherwise, VarTec has not shared this information and has instructed its counsel to maintain its confidentiality.

7. To the knowledge of VarTec, the confidential information has not been made available to the public or to any third parties that are not parties to the Stock Purchase Agreement or representatives of parties to the Stock Purchase Agreement.

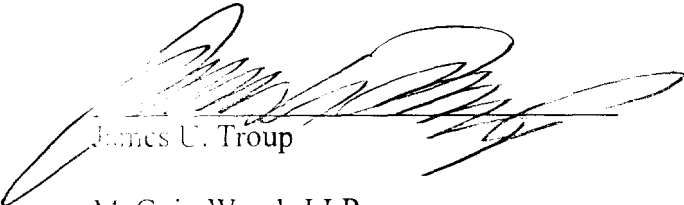
8. The confidential information should not be made available to the public at anytime. Doing so would allow competitors to access information that would aid them in developing strategies potentially undermining VarTec's competitive efforts.

9. VarTec, by its counsel, believes the information provided above is sufficient for granting confidential treatment of the Stock Purchase Agreement attached as Exhibit B to its domestic section 214 application. Therefore, for these reasons, VarTec respectfully requests that

the proposed Stock Purchase Agreement attached as Exhibit B to the domestic section 214 application be reviewed and approved by the Commission.

McGuireWoods LLP submits that the Stock Purchase Agreement provided to the FCC as part of the domestic section 214 application is commercial information under the Freedom of Information Act, 5 U.S.C. 552(b)(4) and 47 C.F.R. § 0.457(d), and that any request for this information is subject to the Freedom of Information Act procedures provided under 47 C.F.R. § 0.461, including the notice requirement of 47 C.F.R. § 0.461(c). Until this request is granted, VarTec respectfully requests that the Commission provide VarTec with written notice at least 10 working days prior to disclosing the requested information to the public so that VarTec may seek a court stay. Should the Commission release this information to the public, it is likely to cause substantial harm to VarTec's competitive position.

Respectfully submitted,



James U. Troup

McGuireWoods LLP  
Washington Square  
1150 Connecticut Avenue, N.W.  
Suite 1200  
Washington, D.C. 20036  
(202) 857-1702

Counsel for VarTec Telecom Holding  
Company

October 3, 2001

## Exhibit B

Confidential and Proprietary





